



NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

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S-01-008

OPENING STATEMENT

BY

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U.S. NUCLEAR REGULATORY COMMISSION

AT THE

PRESS CONFERENCE

10:00 A.M. THURSDAY, APRIL 26, 2001

ACRS/ACNW CONFERENCE ROOM

ROOM T2B3

TWO WHITE FLINT NORTH

Good morning. Let me begin by expressing my personal appreciation to you for joining me today. I view this press conference as an important opportunity to discuss NRC's regulatory activities with you and to relate these activities to the rapidly changing external environment in which the NRC must operate. In keeping with that objective, I would like to make a brief statement before I take your questions this morning.

Only a few years ago, pundits claimed that the deregulation of the electricity business would bring about the early shutdown of nuclear plants and the eventual end of reliance on nuclear power in the United States. In striking contrast to these claims, we in fact are seeing a growing interest in nuclear energy as an important and enduring contributor to energy supply. The NRC serves purely as a safety regulator, of course, but I cannot help but note that nuclear plants are seen as economical, reliable, and environmentally benign sources of electrical power. And they are not subject to the fuel price volatility and emissions constraints that plague fossil plants. These advantages are compelling in a context of sharply escalating prices for natural gas and projected shortages of electrical generating capacity.

An important contributor to the changing attitude toward nuclear is that the performance of nuclear plants continues to improve. Throughout the 1990s, capacity factors for nuclear power reactors increased from about 65 percent to nearly 90 percent as a result of improved maintenance, training, improved operating practices, and reduced plant outage times. (A capacity factor is a measure of the actual production of electricity to the theoretical production if the plant operated at full power 100 percent of the time.) Improved capacity factors are linked to improved economic performance, which

has made nuclear plants very desirable assets. Fortunately, safety performance, as measured by various indicators, has improved in parallel with economic performance.

One manifestation of the changed climate is interest in license renewal. The Atomic Energy Act provides for a 40-year initial license, but allows renewals in 20-year increments. The industry has pursued license renewal in earnest after the initial two applications (Calvert Cliffs and Oconee stations) were approved. Today, we have 20 plants (34 units) in the queue and now expect that between 85%-100% of the existing nuclear plants will seek license renewal. If these applications are successful, the contribution of existing nuclear power plants to national electric generating capacity will continue to be significant through the next several decades of this century. It is even possible that we may receive an application to conclude certain reactor projects that were suspended for economic reasons in the 1980s.

As you are aware, the NRC has not received an application to build a new reactor for more than 25 years. Perhaps the most startling recent development is the growing industry interest in the construction of new nuclear plants. The NRC has already formally certified three advanced designs -- the Westinghouse AP600, CE System 80+, and the GE ABWR -- all of which are evolutions of the current light water plants. Exelon has discussed the possible construction of a gas-cooled reactor, the Pebble Bed Modular Reactor.

The NRC, of course, does not have a promotional role with respect to nuclear power. Our role is to assure that the public health and safety are protected. We must ensure, however, that our regulations do not impose needless barriers to the development of new technology. In pursuit of these objectives and to prepare for possible new applications, the Commission recently directed the staff to assess its technical, licensing, and inspection capabilities to respond to the recent developments.

We are also continuing to pursue the reexamination of the foundations of our regulatory system through the application of risk information. Improved probabilistic assessment techniques combined with over four decades of accumulated experience with operating reactor have caused us to recognize that some regulations may not serve their intended purpose. This effort to risk-inform our regulations is a complicated process, but we are continuing to make progress. An early application of this new approach is reflected in the revision of the NRC inspection program to focus attention on matters of the greatest safety significance. The resulting new oversight program for reactors is viewed as a major improvement over the previous process. These activities will help to establish a stronger foundation for the regulation of any new reactors that are eventually built in this country.

Finally, I want to note one other important initiative. Enhancing public confidence in the NRC is one of our strategic goals and is of critical importance in this new era. Some have concerns about the risks -- real and imagined -- that nuclear technology presents. The affected public has the right to have these concerns directly and forthrightly confronted. Moreover, there is an imperative for the NRC to reach its decisions through open processes so that corrosive suspicions of the reasons for NRC actions are avoided. Public confidence in nuclear power will not be achieved unless the NRC engages the concerned public: we must both act to ensure safety and be seen to act responsibly for this purpose.

I want to conclude by noting that we are in a period of such unusual change that it is difficult to predict with certainty exactly what may happen in the nuclear sector even in the short term. But it seems clear to me that there is now a greater interest in examining energy policy than at any time since the 1970s. This is reflected in the Task Force being chaired by Vice-President Cheney and in the numerous energy bills now pending in the Congress. It is the NRC's role in this changing external environment to continue to ensure the safety of nuclear plants, while remaining agile in responding to

change. Although I have been with the NRC for only about 18 months, I am very impressed with the competence of my colleagues on the Commission and of the NRC's staff. I am confident that we are up to the task.

I would be happy to respond to your questions.